

Community Development Block Grant Program



Funding Infrastructure

Community Development Block Grant (CDBG)

- Established by the Housing and Community Development Act of 1974
- Since 1982 HCD has administered the non-entitlement program

Community Development Block Grant (CDBG)

- Entitlement funding
- Non-entitlement funding

CDBG Common Terms

- PI: Program Income
- NATIONAL OBJECTIVE
 - TIG
 - Slums & Blight
 - Urgent Need
- Eligible Activity

Allocations

- Economic Development
- Colonia
- General Program
- Planning/Technical Assistance
- Native American

Who Can Apply?

- Threshold Requirements
 - Resolved audit findings
 - Resolved performance problems
 - Housing element of General Plan in compliance
 - No excessive Program Income
 - No building permit limits (some exceptions)

Eligible Activities

- Public Works in support of Housing
- Public Works in support of Business
- Economic Development
 - Grants to the City; City loans to a business to create jobs
 - Grants to the City; City pays for infrastructure, business creates jobs

Limitations

- State statute requires that at least 51% of State's allocation from HUD be used for Housing Activities
 - **Public Infrastructure** in support of housing
 - Housing Construction
 - Housing Rehabilitation
 - Housing Acquisition

Limitations ?

- \$500,000 per application per year
 - May request \$1million+ in single ED OTC application if project cannot be phased and still meet national objective after caps are lifted
 - Up to \$500,000 per year in a three-year General/NA application

Eligible vs. Competitive

- Eligible means that the proposed activity is permitted by Federal Regulations and that it meets a national objective.
- Competitive means that the activity is eligible and competes well under the Allocation's rating criteria. (Talk to your rep)

Method of Distribution

- Competitive Rating and Ranking
 - Getting dollars to poverty-impacted communities
 - Funding projects targeted to low-income persons
 - Addressing most severe needs throughout the state

Goals of the Program

- Getting funds to capable operators.
- Maximizing local and private leverage.
- Meeting other state objectives.

Planning and Technical Assistance

- Economic Development
 - In support of Business:
 - Up to \$35,000/yr
- For General Program
 - In support of Housing:
 - Up to \$35,000/yr
- Applications accepted in the Spring and Fall

Planning and Technical Assistance

Examples:

- Infrastructure needs analysis; cost estimates
- NEPA clearances
- Preliminary design and engineering reports
- Future grant application preparation
- Community facility feasibility study
- Business attraction study

Planning and Technical Assistance

- 51% benefit to targeted income group
- Results in an eligible CDBG activity
- Documented cash match
- Complete Application form
- (Ask Program Representative or Secretary)

Eligible Costs

Up to 7.5% for general admin expenses

Activity delivery costs vary by activity:

- 19% for Housing Rehab

- 12% for Projects involving difficult labor standards

- 8 - 10% other

Key Terms

- Targeted Income Group (**TIG**): Persons or households at or below 80% of the County median income.
- LTIG is generally 50% or less of the County or State median.
- Income limits available at www.hcd.ca.gov



Key Terms

"Federal Overlays"

Federal Overlays refer to federal compliance requirements associated with CDBG funding.



- Environmental Review
- Labor Standards
- Citizen Participation
- Procurement
- Equal Opportunity & Fair Housing
- Relocation

“National Objectives”

- Federal law establishes three National Objectives:
 - 1) **Principal benefit to low and moderate income persons or households (TIG).**
 - 2) Mitigating the effects of slums and blight.
 - 3) Meeting an urgent need of recent origin.
- All General applications must meet TIG National Objective, but ED can meet any of the three

State Technical Assistance

- Each jurisdiction has one General and one Econ Dev regional representative.
- The regional representative is your principal point of contact with the State program.
- The Department also has specialists in federal overlays & activity areas.

Technical Assistance Documents

- Federal regulations and statute
- State regulations and statute
- The State's annual Consolidated Plan and CAPER
- NOFAs and Econ Dev Training Manuals
- The Grant Management Manual
- Periodic Management Memoranda

Other T.A. Resources

- Application Preparation Workshops
- “How to Manage Your CDBG Grant” training sessions
- One-on-one Technical Assistance, including site visits and conference calls (916) 263-0485
- E-mail and Internet
www.hcd.ca.gov